Region Business Profile

Novi Pazar

Short Summary

Novi Pazar is situated on the river Raska and is a part of the Raska district located in the southeast of Serbia tucked between the Golija and Rogozna mountains. Within the project, partnerships have been established between Novi Pazar, Sjenica and Tutin. Novi Pazar is located 250km from Belgrade, and is close to borders with Montenegro (65km) and Bosnia and Herzegovina (135km). The road infrastructure is still very weak in this area, even though it is situated on the old road connected to Ibarska route that leads to Podgorica, Montenegro and the Adriatic Sea. The closest airports are in Tivat, Montenegro (330km), Belgrade (255km) and in Skopje in Macedonia (360km). The most developed industries in the region are textiles, mostly oriented to the manufacture of jeans, sport and clothes for children. Since Sjenica and Tutin are located on the Pester plateau, they have strong potential in agriculture. The Novi Pazar area is rich in woods, thermal and mineral sources, as well as other sources of energy as there are deposits of brown coal. The Pester plateau is suitable for renewable energy, solar and wind power, especially in Tutin.

Quick Facts

	Region	National level
Territory		
Total area	2,543 km^2	88,502 km^2
Agricultural area	155,247 ha	5,096,267 ha
Population	157,957	7,186,862
Number of formally employed	22,085	1,000,872
Average wage (net in July)	305 EUR	390 EUR
Number of enterprises	927	78,934
Number of entrepreneurs		
Submitting financial statements	478	15,630
Not submitting financial statements	4,161	224,997
Value added (in mill EUR)	57.8	14,078.8
Average success rate of companies (%)*	25.8	25.4
Main industries	Wholesale Trade, Retail Trade, Manufacture of Clothes, Land Transport, Manufacture of Furniture	
Main exports	Clothes, Leather products, Furniture, Meat and Fish	
Most important foreign direct investments	No Investments according to SIEPA	

Source: SORS, CEVES calculations based on SBRA data

* Successful companies are considered to have: 1) managed to overcome negative impacts of the financial crisis; 2) increased its real revenues and employment; and 3) operated profitably over the entire period.

Local Economy Basic Structure

Table 1: *Enterprise structure by size**

Size of enterprise	Number of enterprises			Number of employees			Business revenues		
	Region		National level	Region		National level	Region		National level
	# of firms (2013)	*Growth rate 2009-2013(%)*	*Growth rate 2009-2013(%)*	*# of employees (2013)*	*Growth rate 2009-2013(%)*	*Growth rate 2009-2013(%)*	*Value (2013; in mill RSD)*	*Growth rate 2009-2013(%)*	*Growth rate 2009-2013(%)*
Micro	1,244	-2.8	-2.0	2,591	0.4	-2.2	15,794	5.6	1.1
Small	133	-1.3	-2.6	2,450	-4.3	-2.7	14,398	10.9	1.5
Medium	24	-3.8	-3.5	1,951	-6.3	-3.5	4,109	-2.4	2.2
Large	4	0.0	-1.0	1,397	-4.0	-0.6	1,994	-14.8	6.0
Total	1,405	-2.7	-2.1	8,389	-3.4	-2.0	36,294	4.4	3.3

Source: CEVES calculations based on SBRA data, in our analysis were included only those enterprises that have regularly submitted financial reports

*Enterprises are classified by number of employees (1-9 micro, 10-49 small, 50-249 medium, > 250 large)

Graph 1: *Overview of enterprise success rate during crisis period – region**

Source: CEVES calculations based on SBRA data

**Size of bubbles: Business revenues; Color of bubbles: Successful during crisis period (blue) or not (gray)*

Table 2: *Exporters (2013)*[*]

Size of enterprise	Number of exporters			Total value of exports (in mill EUR)		
	Region	National level	Share (%)	Region	National level	Share (%)
Micro	97	4,923	2.0	14.2	1,029.2	1.4
Small	41	2,918	1.4	7.7	1,228.4	0.6
Medium	12	1,003	1.2	6.2	2,090.7	0.3
Large	3	299	1.0	1.7	5,875.2	0.0
Total	153	9,143	1.7	29.9	10,223.5	0.3

Source: Customs Administration database, Ministry of Finance of Rep. of Serbia

[*]Note: Only includes companies that realized minimum exports of 5,000 EUR

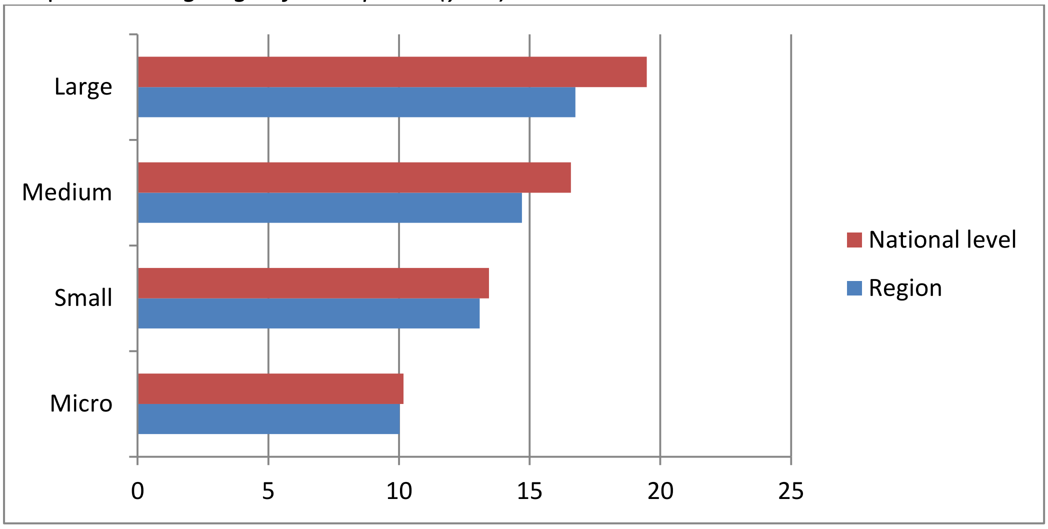
Economic Vitality

Table 3: *Survival rate of companies*

Period	Number of enterprises established		Survived in 2013 (%)	
	Region	National level	Region	National level
2006 - 2008	499	35,430	46.1	48.1
2009 - 2010	285	20,763	59.3	61.6

Source: CEVES calculations based on SBRA data

Graph 2: *Average age of enterprises (year)*



Source: CEVES calculations based on SBRA data

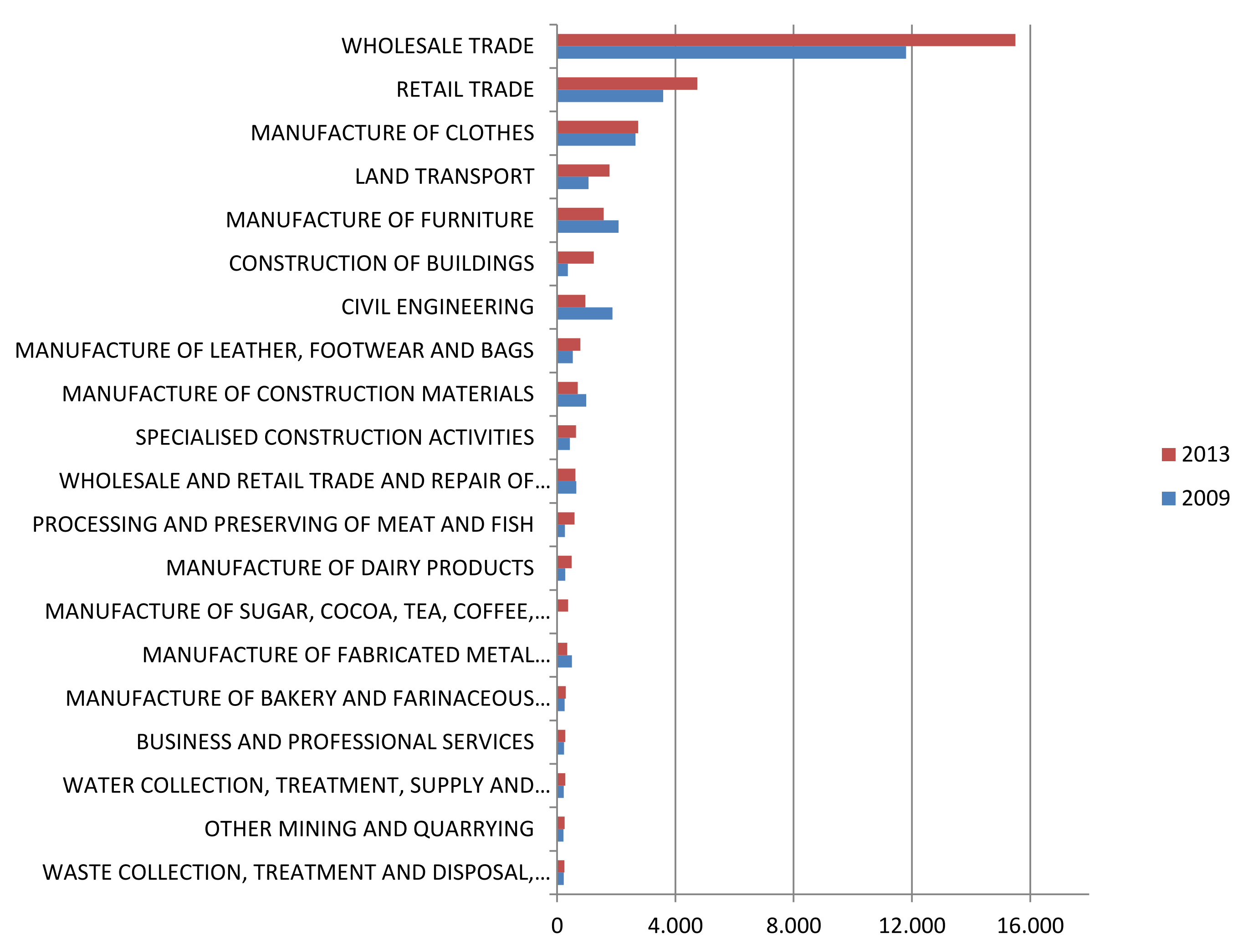
Table 4: *Share of successful enterprises in total - region*

Size of enterprise	Number of enterprises (2013)		Successful ent. (%)		Ent. with blocked account (%)	
	Region	National level	Region	National level	Region	National level
Micro	1,244	82,453	23.8	21.8	19.9	21.8
Small	133	9,501	35.3	43.2	20.3	14.3
Medium	24	2,113	43.5	45.2	12.5	16.4
Large	4	497	50.0	41.1	75.0	17.9
Total	1,405	94,564	25.8	25.4	19.9	21.0

Source: CEVES calculations based on SBRA data

Industrial Structure

Graph 3: *Industry performance - business revenues (in mill RSD)*



Source: CEVES calculations based on SBRA data

Table 5: *Main industries' performance*

Industry	*Number of enterprises*			*Number of employees*			*Business revenues*		
	Region		National level	Region		National level	Region		National level
	# of firms (2013)	*Growth rate 2009-2013(%)*	*Growth rate 2009-2013(%)*	*#of employees (2013)*	*Growth rate 2009-2013(%)*	*Growth rate 2009-2013(%)*	*Value (2013; in mill RSD)*	*Growth rate 2009-2013(%)*	*Growth rate 2009-2013(%)*
*Manufacture Of Clothes & Manufacture Of Leather, Footwear And Bags	172	-3.5	-3.9	1,883	-7.9	0.2	3,522	2.5	11.0
Wholesale Trade	278	-2.8	-3.4	1,214	-2.5	-1.8	15,505	7.4	3.3
Retail Trade	300	-6.0	-4.7	555	-3.8	-1.0	4,740	7.5	2.7
Manufacture Of Clothes	130	-3.0	-4.4	1,588	-8.8	1.1	2,738	1.1	11.1
Land Transport	100	2.1	0.3	429	0.5	-1.6	1,772	13.9	2.6
Manufacture Of Furniture	20	-4.5	-3.0	513	-11.2	-3.9	1,578	-6.4	2.0

Source: CEVES calculations based on SBRA data
*Industry supported by USAD SLDP

Table 6: *Export competitiveness of main industries- region*

Industry	Status	Export rank	Export competitiveness
Wholesale Trade	Exporting	1	/
Retail Trade	Exporting	9	/
Manufacture Of Clothes	Exporting	2	Highly Competitive
Land Transport	Exporting	12	/
Manufacture Of Furniture	Exporting	4	Moderate Competitive
Processing And Preserving Of Meat And Fish	Exporting	5	Uncompetitive

Source: UN Comtrade database and Customs Administration Database, Ministry of Finance of Rep. of Serbia
Notes:
Status - whether industry products are exported by the companies from region
Export rank - Industry export rank according to export value from region
Export competitiveness - CEVES analysis of industry export competitiveness based on export volume, dynamics, and diversification

Foreign Direct Investments

Table 7: *Foreign direct investments- region*

Industry	Number of investments	Total value of investments (in mill EUR)	Number of persons employed	Most important investors
No Investments according to SIEPA				

Source: SIEPA database
Disclaimer: Due to the lack of official information regarding the amount of individual investments, this information is sourced from research carried out the Serbia Investment and Export Promotion Agency (SIEPA) and includes both completed and forecasted investment projects. Although SIEPA is responsible for maintaining as precise investment data as possible, the agency does not assume any responsibility for any incomplete or potentially inaccurate information.